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SUBJECT: SEMI-ANNUAL FRAUD SUMMARY (MARCH 2009 - AUGUST 2009)-
YEREVAN

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11. (SBU) Armenia remains a high-fraud post. While consular staff members periodically uncover fraud rings and other organized plots, post's interviewing officers deal with small-scale fraud every day. Due to widespread document fraud, including birth and marriage certificates as well as passports and work documents, consular officers at post cannot rely on documentation during visa interviews. The Sixth Department of the National Police, which combats organized crime, cooperates actively with Post in cases of document fraud.

COUNTRY CONDITIONS

12. (U) The international financial crisis has affected Armenia. Armenia's official unemployment rate for 2008 was 6.3 percent, and from January-August 2009 it rose to 6.8 percent. However, according to household surveys conducted in line with International Labor Organization methodology, actual unemployment for 2008 was estimated to be around 28 percent, and much higher in the provinces and among women. The strong GDP growth of recent years, driven primarily by construction in Yerevan, has evaporated and Armenia's GDP is projected to decline by about 15 percent in 2009, with zero growth expected in 2010. As a consequence, the percentage of people living in poverty is quite high. Many Armenians depend on remittances from family members abroad, particularly in Russia followed by the United States. The global economic crisis, however, has significantly reduced remittances and workers who used to make the annual trip to Russia to work in construction (legally or illegally) for 6-8 months per year did not return there in 2009. Consequently, foreign remittances are down some 30%, according to the International Monetary Fund. An estimated 1.5 million Armenians have left the country since 1990. About one-third of Armenians live in rural areas, many of them as subsistence farmers. The average salary in Yerevan amounted to USD 318 per month in July 2009. The average salary in Armenia in July 2009 was USD 293 and the estimate for August is USD 267.

NIV FRAUD

13. (U) Much of the document fraud seen in NIV interviews is unsophisticated and easy to detect. Occasionally, we find more serious cases where applicants obtain legitimately issued second passports, sometimes with different names or dates of birth, an alternate spelling of the last name, or a new name altogether to support a mala fide persona. Applicants also can acquire either genuine but fraudulently obtained or high-quality counterfeit documents such as birth, marriage and divorce certificates. Post has had success in referring such cases to the Sixth Department of the National Police for prosecution. Genuine but fraudulently obtained

diplomas and other education documents are easily available for those who need to prove credentials (e.g. for DV applicants). Back-dated reentry stamps are easy to purchase from border guards. With access to ADIS, post continues to detect ever more instances of applicants hiding overstays through purchase of back-dated reentry stamps. To date we have seen a decline in these cases to only four in the reporting period. Most primary and supporting documentation is suspect, and officers cannot rely on them in making visa decisions.

¶4. (SBU) Individuals providing visa advice and services that fill out forms for applicants continue to be a source of fraud and disinformation. One applicant, after finally admitting that she had overstayed, related that one notorious consultant had told her that she should hide this ineligibility if she wanted to receive a visa. In immigrant visa cases, virtually all cases of contrived contacts are the work of one visa form filler-slash-translator who fills out the DS-230 immigrant visa application forms.

¶5. (SBU) Post uses its Accurant account several times a week and has found it very helpful in vetting NIV petition visas, IV cases, and sometimes ACS cases. Officers and the fraud investigator can follow up on leads generated by the Lexis-Nexis reports and thus better judge the accuracy of information submitted by petitioners and applicants. This allows interviewing officers to render decisions more quickly and confidently and to better support recommendations for petition revocation.

¶6. (SBU) Post daily confirms NIV applicants' actual exit from the U.S. using our ADIS account provided by CA/FPP. ADIS has become a powerful tool for discovering fraud, albeit the records only appear to be accurate as of 2003.

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IV FRAUD

¶7. (SBU) Yerevan has been processing immigrant visas since 2006 and fraud is a part of a significant percentage of family-based immigrant visa applications, especially in K-1 fiancée visa cases. Most fraudulent cases involve applicants with relatives in the United States who themselves either overstayed B1B2 visas or lodged questionable asylum cases in the U.S. These relatives have arranged sham marriages for IV beneficiaries in an attempt to reunify their family. In the reporting period, post returned for possible revocation approximately eight percent of our almost 1,000 IV (excluding DV) visas issued.

¶8. (SBU) Lexis-Nexis has been very helpful in providing leads for investigation of fraud in instances of sham spouses, or their follow-on step-children. We frequently find American citizen petitioners continuing to live with their "ex"-spouses, or not cohabitating with their new spouse.

DV FRAUD

¶9. (SBU) We occasionally discover fraudulent documents in DV applications, usually intended to support the addition of derivatives (birth or marriage documents), or - to a much lesser degree - demonstrate adequate labor qualifications, i.e. vocational school diplomas for those who didn't finish high school. Overall fraud in our DV workload appears to be much less of a problem than in CR1 and K-1 IV categories. In the reporting period, only a couple DV cases were refused for failure to qualify for the DV lottery due to fraudulent documents.

¶10. (SBU) Post continues to notice a significant number of inexplicable data entry mistakes for biographic information in DV winners' registration for the DV lottery. This is not just in cases where a third party in the U.S., who doesn't really know the beneficiaries, has registered their entry. Post suspects, but has no proof, that these cases might represent instances where beneficiaries deliberately register multiple times for the DV lottery using slight derivations of their date of birth. These

cases may have somehow managed to bypass Facial Recognition checks. In general, Armenians rely to an extraordinary degree on relatives in the U.S. or third parties, usually unscrupulous form fillers known to provide false or misleading advice, to register for the DV lottery. This continues to be the case even though the DV instructions are posted in Armenian on post's website and post's annual outreach on DV issues focuses on the importance of proper data entry.

ACS AND U.S. PASSPORT FRAUD

¶11. (U) There appears to be much less fraud in our ACS workload compared to our IV and NIV workload. In the past, we have occasionally had questionable CRBA applications centering on the U.S. citizen's actual paternity, resp. ability to transmit citizenship. To date, most such dodgy CRBA cases have been resolved with DNA testing. During this reporting period, no cases of ACS fraud were recorded.

ADOPTION FRAUD

¶12. (U) To be eligible for adoption in Armenia, a child must be legally abandoned by all living parents through a renunciation of parental rights, or found to be an orphan by the state. Death certificates of both parents, court decisions or police statements (in cases of a foundling child) also may serve as evidence of a child's orphaned status. Orphaned children become the custody of orphanages and the Ministry of Labor and Social Issues maintains the centralized registration and has the list of children available for adoption. For the first three months on this list, a child may be adopted only by Armenians; after three months have elapsed, a child may be adopted by Armenians or foreigners.

¶13. (SBU) Corruption on the part of Armenian government officials, adoption agencies and orphanages is a concern, and due to pervasive document fraud, local birth and identity documents are often not reliable. However, during this reporting period, none of the cases we have seen have included fraudulent documents. In addition to field investigations, post combats adoption fraud by running background checks on all local adoption facilitators, whom post

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still works with on legacy I-601 adoption cases.

¶14. (SBU) Armenia is officially a signatory to the Hague Convention on Inter-Country Adoptions, and all adoption cases begun after April 2008 are processed in accordance with the Hague. The Ministry of Justice has been designated at the Central Authority under the Hague Convention for Adoptions and Child Abductions and its Department of Civil Acts Registration is responsible for carrying out day-to-day operations. A new regulation on adoptions has been cleared with all governmental agencies involved in the adoption process (the Ministry of Labor and Social Issues, the Ministry of Health, the MFA, Police, etc.) and is due to be enacted. The new regulation will reportedly bring Armenia into compliance with Hague Convention requirements, and include the implementing regulations for the execution of the Hague Convention's Article 16 and 23 letters. It will replace regulations which currently govern the adoption process in Armenia and will include clear guidance on the operational steps and implementation deadlines for each Armenian Government agency.

USE OF DNA TESTING

¶15. (U) Until September 2009, when the Department released new worldwide guidance on DNA testing, DNA testing in Yerevan was done remotely with Embassy panel physicians drawing samples at their office and then sending the samples to accredited labs in the U.S. for analysis. A Consular Officer would witness the sampling, maintain chain of custody, and forward it to the U.S. lab. Results were sent directly to the Embassy via DHL, generally within three to four weeks. In the reporting period, post conducted one DNA test in accordance with the former procedure. Since September 2009, post has briefed its panel physicians on the new process for DNA testing,

to be done at the Consular Section, and is ready to implement the new procedures.

¶16. (U) Post also encounters suspected relationship fraud in Diversity Visa and family-based Immigrant Visa cases, usually in marriage or fiance visa cases. To date, DNA testing has not been used in such cases. In one typical case, the petitioner and beneficiary volunteered to submit to DNA testing of their supposed child in common to bolster their claims of being a bona fide couple. Where DNA testing has been employed, post is generally satisfied with its current operational procedures.

ASYLUM AND OTHER DHS BENEFIT FRAUD

¶17. (SBU) Post is exposed to asylum fraud in two ways. One way is through anecdotal evidence supplied by NIV applicants whose relatives went to the United States on non-immigrant visas and claimed asylum. When applicants volunteer information during visa interviews on their family member's status in the U.S. as an asylee or refugee, they have offered all kinds of reasons to justify their relatives' applications for asylum, including, "She couldn't find a job here" and the ever-popular, "He got sick."

¶18. (SBU) The second way in which post encounters asylum fraud is through the processing of Visas 92/93 following-to-join cases. Post assumed a large backlog of V92 cases from Moscow in late 2007. In early FY2009, Post experienced a spike in V92 issuances after Armenia removed its onerous and time-consuming de-registration requirement in November 2008. Our V92 volume swelled at the beginning of FY2009 and has now become a trickle. While the IV Unit's role in these cases is to verify the relationship of the following-to-join asylee only, due to the prevalence of fraudulent documents and fraudulently-obtained authentic documents in Armenia, consular officers often must review the petitioner's I-589 application for asylum statement and verify the relationship not only on the basis of civil documents, but based on shared experiences between petitioner and beneficiaries. Often the beneficiary is unable to corroborate their relationship to the beneficiary through shared experiences. In these cases, the beneficiary may tell completely contradictory information regarding major life events such as travel abroad, work history, hospitalizations or arrests. As a result, the consular officer must assume that either the beneficiary is not related to the petitioner as stated on their application or (more likely) that the underlying grounds for asylum are specious. In cases where the consular officer suspects asylum fraud, the officer drafts a cable reporting these suspicions to USCIS/ICE for further investigation.

¶19. (SBU) In the past, Post has seen DHS travel documents (re-entry permits) that appear to have been issued to aliens when they were not in the United States, usually persons who received asylum or

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refugee status including their derivative family members. The applications for these documents usually have been filed by relatives and initially sent to the relatives' addresses in the U.S., from whence they are forwarded to the alien in Armenia. Often these cases involve questions by travel document holders on how to extend reentry permits or applications for U.S. passports for children born to Armenian asylees/refugees in the U.S., who have spent considerable amounts of time in Armenia since receiving such status. We refer all such cases to the DHS/USCIS office at Embassy Moscow.

ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME, TERRORIST TRAVEL

¶20. (SBU) Due to its high unemployment and significant poverty, Armenia is a source for illegal travel. In recent years, Yerevan's fraud unit has uncovered two large alien smuggling efforts using approved P-3 petitions. The fraud unit's investigations resulted in permanent Class I ineligibilities entered against each group's local organizer. At post, any group petition is suspected of having one

or two "ringers" and consular officers must vigilantly check the qualifications of all group applicants. Organized crime is present in Armenia and particularly active in monopoly sectors such as fuel and energy.

DS CRIMINAL FRAUD INVESTIGATIONS

¶21. (U) The Consular Section maintains good working relations with the Embassy RSO, and the ARSO/I position Post requested has been approved by DS and CA and is awaiting funding. The addition of this position will strengthen and expand post's anti-fraud program. The Consular Section regularly informs the RSO of cases referred to the Police's 6th Department for Organized Crime Combat for further investigation and prosecution.

HOST COUNTRY PASSPORT, IDENTITY DOCUMENTS, CIVIL REGISTRY

¶22. (SBU) Post frequently encounters fraudulent or illegally obtained original documents, ranging from municipally-issued civil documents to passports. Yerevan's anti-fraud unit has identified fraudulent documents manufactured in Armenia, Russia and the United States according to applicants' own statements. Local forgers are put in contact with potential clients via word-of-mouth and "connections" (often in Moscow), while fraudulently obtained original documents are available for small bribes from local municipal authorities. Original Armenian passports with altered information reportedly can be had for several thousand U.S. dollars at one of Armenia's over 80 passport issuing agencies. Used passports for photo-substitution reportedly cost a similar amount. The fact that there is no centralized database which civil registries can use facilitates document fraud.

¶23. (SBU) Armenian authorities have issued machine-readable passports since 1995. In 2000, Armenia began issuing a new machine readable passport with improved photo security measures. The 1995 passports, which are vulnerable to photo substitutions, remain valid and with extensions may be in circulation through 2015. Post learned recently that Armenian authorities hope to issue a tender for their new ICAO-compliant electronic passport by year's end and have the first new passports within eight months from the date the contract is awarded. Post's Export Control and Border Security Program (INL) also funded purchase of a new passport printer for the Armenian MFA in the reporting period. Armenian Border Guards use the Border Management Information System (BMIS) to check passports of persons entering Armenia. BMIS includes a database of scanned passports and the Government of Armenia maintains a watch list of persons of interest.

COOPERATION WITH HOST GOVERNMENT AUTHORITIES

¶24. (SBU) We normally forward cases involving fraudulent government documents to the Armenian National Police's 6th Department, the division tasked with fighting organized crime, and have found them quite receptive to conducting active investigations. During the reporting period, Post referred three cases where we suspected that entry stamps in applicants' passports were genuine, but illicitly obtained. Our contacts investigated, but were required to pass the cases to the National Security Service (the former Armenian KGB) as

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they have jurisdiction over the border guards. While we have yet to receive a report on the status of those cases, we heard that several border guards were fired and the number of genuine, but illicitly obtained stamps has declined significantly.

¶25. (SBU) Under Armenian law, forgery is punishable by a fine, one year's "correctional labor" or up to two years in prison. Using false documents with the intent to cross a state border is subject to up to three years in prison. Though we referred several cases of false documents to the National Security Service (NSS), it appears that some known forgers and document dealers have protection within the Armenian government.

AREAS OF PARTICULAR CONCERN

¶26. (SBU) Post continues to receive an unusually high number of requests from ICE attorneys for document verification or translations of visa applications for persons applying for immigration benefits in the U.S. This is a labor-intensive task which occupies a significant part of our fraud investigator's time. Until recently, document verification requests were usually channeled through the USCIS Attache's office at Embassy Moscow. Post now receives the majority of such requests from DRL in the Department. Requests for visa applications usually come directly from Assistant Chief Counsels in Los Angeles and usually end up as a subsequent request for document verification related to an asylum application. At any one time, post has some 30 pending investigations with an average of two new investigations requests and five visa application requests received each week. The majority of these investigations confirm that the submitted documentation is fraudulent. Post has developed a Microsoft Access database to track these cases and, more importantly, quantify the resources spent on these investigations. We believe this information would be invaluable to CA/EX to request partial DHS/ICE funding of our FSNI's position who spends some 40-50% of his time on DHS investigations.

STAFFING AND TRAINING

¶27. (U) Embassy Yerevan's FPU consists of Consular Section Chief Robert Farquhar who serves also as Fraud Prevention Manager (FPM) and a full-time FSN fraud analyst/investigator (Armen Alaverdian). The fraud analyst also serves as an interpreter during IV and NIV interviewing and screens applicants for likely imposters. The fraud analyst attended FSI's fraud course for FSNs in 2003, the 2006 Fraud Conference in Istanbul, and completed the online courses PC 544 and PC 128 as well (as have all consular staff).

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